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D/S

Soviet Trade Excerpts

Value and Direction

Soviet foreign trade turnover (exports plus imports) is estimated to have reached \$8,250 million in 1957, a 13 percent increase over 1956 and 2.5 times the 1950 volume.

Trade with the Bloc between 1950 and 1956 accounted for 76 to 82 percent of total Soviet trade, but in 1957 the Bloc's share appears to have been reduced to 71 percent. China, the Soviet Zone of Germany, Czechoslovakia, and Poland are the USSR's leading trading partners and normally account for about 75 percent of Soviet trade with the Bloc (about 55 percent of total Soviet trade). Between 1950 and 1957 China was the USSR's leading trading partner, accounting for about 25 percent of the Soviet Union's trade with the Bloc and about 20 percent of its total trade; in 1957 the Soviet Zone of Germany appears to have taken over China's position.

The USSR's trade with the Free World has been expanding at a rapid rate, particularly since 1953. Soviet trade with the Free World has increased by 300 percent since 1950 as against an increase of 120 percent in its trade with the Bloc and 150 percent increase in its total trade turnover. Approximately 75 percent of Soviet trade with the Free World is with industrial countries, principally in Western Europe. Although Soviet trade with the underdeveloped areas has increased rapidly over the past several years these areas continue

to take up roughly the same share of Soviet-Free World trade (28 percent in 1957, 26 percent in 1956, and 25 percent in 1955).

Commodity Composition

Raw materials (including fuels) have long dominated Soviet exports, and in 1956 they comprised 66 percent of total exports, (\$2.5 billion*). Of these, ferrous and nonferrous metals generally occupy the largest share while raw cotton also bulks large in Soviet raw materials exports. Petroleum and petroleum products exports, although accounting only for 7.1 percent, (\$260 million) nevertheless have been increasing their share steadily since 1950.

Machinery and equipment (including motor vehicles and ships) have become significant export items in the postwar years, and their share in Soviet exports has usually occupied about 20 percent.

Grain, a large export item in the prewar period, has been declining in importance in the postwar years. In 1956 it accounted for 7 percent of total exports (\$360 million) as against 18.5 percent (\$332 million) in 1950. The share of consumer goods has also decreased -- 7.3 percent in 1956 as against 14 percent in 1950 -- although in absolute terms the level has remained the same.

The bulk of Soviet exports to the European Satellites consists of raw materials and foodstuffs, while a large part of Soviet exports to Communist China is made up of industrial equipment and complete plants.

* All absolute amounts are estimated.

Raw materials also make up a large part of Soviet imports, accounting for about 55 percent of Soviet imports (\$2 billion) in 1956. The USSR is normally a net exporter in this category. The raw material imports are generally not dominated by any particular item, although ferrous and nonferrous metals and textile raw materials (other than cotton) are relatively important.

Machinery and equipment (including motor vehicles and ships) generally account for 25 to 35 percent of Soviet imports and the Soviet Union is a net importer in this category both with the Bloc and with the world as a whole.

Consumer goods usually account for 15 to 20 percent of total Soviet imports and were valued at approximately \$500 million in 1956.

Approximately half of Soviet imports from the Bloc are raw materials including fuels; consumer goods account for about one-fifth and machinery and equipment generally account for one-fourth to one-third. China's exports to the USSR are principally agricultural products, foodstuffs, and nonferrous metals.

Table 1

Estimated Foreign Trade Turnover of the USSR
for Selected Years

	millions of current \$US									
	1950		1954		1955		1956		1957*	
	Value	Percent	Value	Percent	Value	Percent	Value	Percent	Value	Percent
Total**	3,250	100	6,250	100	6,529	100	7,282	100	8,250	100
Sino-Soviet Bloc	2,636	81	4,900	78	5,153	79	5,404	76	5,820	71
Free World**	614	19	1,350	22	1,376	21	1,878	24	2,430	29

* Preliminary estimates.

**Does not include gold sales. These have been estimated as follows (in millions of current \$ US):

1953	150
1954	93
1955	70
1956	150
1957	<u>263</u>
Total	726

Table 2

Soviet Trade with the Bloc
for Selected Years

millions of current \$ US

	1950		1955		1956		1957*	
	Value	Percent	Value	Percent	Value	Percent	Value	Percent
Total	2636.0	100.0	5153.0	100.0	5404.0	100.0	5820.0	100.0
Albania	15.5	.6	20.8	.4	26.3	.5	<u>n e</u>	-
Bulgaria	166.8	6.3	248.8	4.8	253.0	4.7	<u>n e</u>	-
Hungary	210.3	8.0	261.8	5.1	247.8	4.6	346.0	5.9
Soviet Zone	345.8	13.1	985.0	19.2	1197.8	22.2	1525.0	26.2
Poland	451.5	17.1	718.5	14.0	640.5	11.8	673.1	11.6
Rumania	253.3	9.6	477.5	9.3	447.3	8.3	<u>n e</u>	-
Czechoslovakia	422.0	16.0	742.5	14.4	770.3	14.3	932.2	16.0
China	576.5	21.9	1391.8	27.1	1497.3	27.7	1290.0	22.2
Outer Mongolia	82.5	3.1	175.5	3.4	157.8	2.9	<u>n e</u>	-
North Korea	112.5	4.3	126.8	2.5	159.3	2.9	<u>n e</u>	-
North Vietnam	-	-	.4	-	3.7	.1	<u>n e</u>	-

* Preliminary estimates.

Table 3

Soviet Trade with Underdeveloped Areas*
for Selected Years

	million of current \$ US			
	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957**</u>
Europe	23.4	55.8	142.7	133.6
Middle East and Africa	64.7	99.5	107.5	310.5
South and South East Asia	13.0	27.6	84.5	124.0
Latin America	<u>94.0</u>	<u>115.2</u>	<u>66.7</u>	<u>110.0</u>
Total	215.1	298.1	401.4	678.1

* The underdeveloped countries included are: Iceland, Portugal, Spain, and Yugoslavia in Europe; Egypt, Ghana, Greece, Iran, Iraq, Israel, Jordan, Lebanon, Morocco, Sudan, Syria, Tunisia, and Turkey in the Middle East and Africa; Burma, Cambodia, Ceylon, India, Indonesia, Laos, Malaya, Pakistan, the Philippines, Thailand, and Vietnam in South and Southeast Asia; and Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, Uruguay, and Venezuela in Latin America.

** Preliminary estimates.

Table 4

USSR Trade Turnover with Selected Free World Countries
for Selected Years

	millions of current \$ US				
	<u>1950</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
United Kingdom	135.6	158.2	264.8	310.9	342.8
Finland	88.5	229.8	224.9	258.1	319.0*
West Germany	.2	34.8	62.6	121.4	156.7
France	7.5	70.7	85.3	104.7	110.9
Yugoslavia	-	2.5	32.4	112.7	109.5*

* Preliminary estimates.

Foreign Trade of Albania

Foreign trade has long provided a necessary supplement to Albanian domestic production; with the advent of the postwar industrialization program, large scale receipts of foreign capital have been even more imperative. Since the break with Yugoslavia in 1948, Albanian economic development has been supported largely by the Soviet Union and the other members of the Sino-Soviet Bloc. On the basis of long-term credits and outright grants, Albania has received whole industrial enterprises, large amounts of machinery and industrial materials, and technical aid for the development of its mining industries and the establishment of a domestic light industry.

Albanian ability to export has increased greatly in recent years largely as a result of this rapid development of the extractive industries which now provide a major portion of Albanian exports. Inasmuch as almost all of Albania's trade is carried on with the Sino-Soviet Bloc, these increased exports of scarce materials represent a real gain to the Bloc. Nevertheless, Albanian import requirements (industrial materials as well as food and consumer goods) remain far in excess of export capabilities and will continue to be so for a long time. It is probably this realization that prompted the Soviet cancellation

of Albanian debts valued at \$105.5 million in April 1957 and the East German announcement in December of that year releasing Albania from the obligation to repay credits granted through 1955.

Further credits for the purchase of food and industrial goods have already been extended by the Soviet Union; it is expected that the other members of the Sino-Soviet Bloc will also continue to subsidize the Albanian economy through long-term loans and grants.

Foreign Trade of Albania

Value of Foreign Trade (in millions \$)

	1949	1950	1951	1952	1953	1954	1955
Exports	4.0	5.1		9.6			
Imports	15.2	19.2		24.8			
Turnover	19.8	25.0	33.8	35.6	40.2		59.4

Geographic Distribution of Trade (in %)

	1948	1949-1953	1954	1955	1956
Bloc	38	100	98	96	96
Free World	62	0	2	4	4

Foreign Trade of Bulgaria

Bulgaria's foreign trade in 1956 reached a postwar high of \$587 million. The distribution of its trade in recent years has been as follows: USSR, 40-50%; rest of Bloc, 30-40%; non-Bloc, 10-20%. In the period 1948-51 Bulgaria was experiencing import balances because of its need to import the machinery and equipment necessary to construct a heavy industrial base as well as to socialize its agriculture. These deficits were settled mainly by credits from the USSR. During the years 1952-55 export balances were sufficient to match the earlier deficits. Bulgaria claims that credits from the USSR in the years 1948-56 totalled 3 billion leva (about \$200 million).

The March 1957 talks with the USSR resulted in a Soviet credit to Bulgaria of \$50 million and Bulgaria is virtually agreeing to play the role of a truck gardener in intra-Bloc trade. It is expected to increase the export of vegetables, fruits and grapes to Bloc countries and draw up long-term specialization agreements with the USSR, East Germany and Czechoslovakia from whom it will obtain a variety of needed goods.

	<u>1952</u>	<u>1954</u>	<u>1956</u>
<u>Imports (million \$)</u>	158.3	195.8	248.3
of which Bloc (%)	88.3	87.6	81.1
of which West (%)	11.7	12.4	18.9
<u>Major Bloc Partners</u> <u>(% of total imports)</u>			
USSR	56.9	46.0	42.0
Czechoslovakia	12.6	13.7	14.5
DDR	7.1	12.7	12.5
Rumania	1.5	4.6	3.8
Hungary	3.7	4.3	3.5
Poland	4.9	3.6	2.4
 <u>Exports (million \$)</u>	 170.8	 232.6	 339.1
of which Bloc (%)	85.3	86.5	87.1
of which West (%)	14.7	13.5	12.9
<u>Major Bloc Partners</u> <u>(% of total exports)</u>			
USSR	57.2	46.4	43.3
DDR	6.4	12.7	12.2
Czechoslovakia	12.5	9.1	8.3
Hungary	3.5	5.2	3.6
Poland	5.7	6.0	2.9
Rumania	1.7	2.8	2.6
 <u>Turnover (million \$)</u>	 339.1	 428.4	 587.4
of which Bloc (%)	88.6	87.0	84.6
of which West (%)	11.4	13.0	15.4
 <u>Trade with Underdeveloped</u> <u>Countries (%)</u>	 ---	 2.8	 4.3

Foreign Trade of Bulgaria (Continued)

	<u>1953</u>	<u>1954</u>	<u>1955</u>
Major Bloc Partners (% of turnover)			
USSR	57.1	46.2	46.5
SWP	6.2	12.7	13.4
Czechoslovakia	12.5	11.2	11.7
Hungary	3.6	4.8	3.9
Romania	1.6	3.6	3.3
Poland	5.3	5.0	3.1

Foreign Trade of Czechoslovakia

Since the 1948 coup, the foreign trade of Czechoslovakia has doubled in value and has undergone changes beneficial to the Bloc and in particular the USSR. Whereas in 1948 the Bloc accounted for 32% of total trade, today it is responsible for about 65% of Czech trade. The USSR is the chief trading partner, usually accounting for one-third of the turnover. The share of trade with western nations declined after 1948 and reached a low of 22% in 1953 but has recovered in the past three years largely as a result of increased trade with underdeveloped Free world countries. Under Communist control increasing emphasis has been placed on the development of heavy industry which has created a growing capability for exporting machinery and equipment. By 1956 this category represented 40% of Czech exports. Czech writers themselves characterize their country as having been made into a machine shop for the Bloc.

The most significant recent developments in the trade field are the Czech interests in expanding their western trade and in promoting specialization among Bloc countries. Czech economists argue that expanding trade with the West will enable Czechoslovakia to be the first Bloc country to match western standards of living. Also, they have been arguing at intra-Bloc conferences that existing inefficiencies and duplication of effort must be eliminated if the Bloc as a whole is to enjoy the fruits of division of labor in foreign trade.

Foreign Trade of Czechoslovakia

	1950	1954	1955	1956	1957
<u>Imports (million \$)</u>	620	933	1052	1185	1385
Major Bloc Partners in %					
USSR				33	38
China				6	5
Poland				5	4
GDR				10	10
Hungary				6	5
<u>Exports (million \$)</u>	733	1005	1177	1387	1356
Major Bloc Partners in %					
USSR				31	29
China				2	6
Poland				7	6
GDR				10	10
Hungary				4	6
<u>Turnover (million \$)</u>	1353	1938	2229	2572	2741
Bloc in %	55	75	70	67	*65
(major partners:					
USSR	28	35	34	33	33
China	1	10	8	6	5
Poland	10	8	8	7	5
GDR	4	7	7	10	10
Hungary	5	7	6	6	6
West in %	45	25	30	33	*35
(Underdeveloped areas)		10	14	14	*15

*Preliminary

Foreign Trade of East Germany

Total turnover of trade of East Germany in 1956 had tripled as compared with 1950, with exports reaching three and one-half times the level achieved in 1950. During this period trade with the Sino-Soviet Bloc has been about three-quarters of total East German trade, the USSR alone accounts for something over 40 percent of the total.

In 1954 East Germany achieved a favorable balance in its total trade; in this year the balance of trade with the USSR showed a sizeable export surplus. Through 1956 East Germany continued to export more than it imported on commodity account; there are indications, however, that at least in its trade with the USSR this trend may have been reversed in 1957.

The major problems facing East German export industries are chronic shortages of raw materials and of foreign exchange. Soviet aid to East Germany, which has been greater than that given to any other Satellite, has probably been meant to alleviate these conditions. At the same time, it is interesting to note that East Germany has taken on an increasingly important role as creditor to the other Satellites; agreements signed during 1956 and 1957 have called for the extension of commodity credits valued at a minimum of \$235 million.

Foreign Trade of Soviet Zone of Germany

	1950	1954	1955	1956	1957
<u>Imports (million \$)</u>	469.7	1,095.9	1,172.8	1,312.7	
Major Bloc Partners in % of Total Imports					
USSR		41.7	36.0	31.8	
Czechoslovakia		7.0	6.0	7.9	
China		6.1	7.4	6.4	
Poland		10.2	9.8	7.9	
Hungary		4.4	5.3	2.9	
<u>Exports (million \$)</u>	406.0	1,280.1	1,278.1	1,407.2	
Major Bloc Partners in % of Total Exports					
USSR		45.8	40.3	40.5	
Czechoslovakia		5.7	7.3	7.8	
China		7.6	7.6	6.7	
Poland		10.5	9.7	9.9	
Hungary		3.7	3.6	3.4	
<u>Turnover (million \$)</u>	875.7	2,376.0	2,450.9	2,741.0	3,424.8
Bloc in %	72	76	72	73	73
Major Partners in % of Total Turnover					
USSR		45.9	38.3	41.1	44.5*
Czechoslovakia		6.3	6.7	7.8	
China		6.9	7.5	6.6	
Poland		10.3	8.7	8.9	
Hungary		4.0	4.4	3.2	
West in %	28	24	28	27	27
Underdeveloped Areas in % of Total Turnover		1	3	3	

* Preliminary

Foreign Trade of Hungary

Hungary had experienced an export surplus in each of the four years prior to October 1956. The uprising followed by the two-month shutdown and the problems of resuming production caused a decline in exports during the first six months of 1957 to a level 26% below the first six months of 1956. Import needs were 40% higher than in the first six months of 1956. The result was an adverse trade balance of \$133 million in that period. Import balances continued through October and then a shift to export balances took place in November and December. The end of 1957 showed a total import balance of \$167 million. A recent Hungarian estimate anticipates an increase in imports during 1958 of \$68 million with little improvement in exports.

The deficit in Hungary's trade in 1957 is found largely in its account with the USSR. Of the \$167 million debit balance, 77% or \$130 million was incurred in trade with the USSR. According to the March 1957 agreement the Soviet Union was to supply over \$250 million in goods in 1957, including \$160 million on credit. Year-end figures show \$235 million in Soviet exports of which \$130 million were unrequited. The foreign exchange loan under this agreement amounted to \$60 million. Both are repayable during 1961-71 at 2% interest. Immediate payment on a \$40 million debt outstanding was also deferred and the debt Hungary owed on the joint stock companies amounting to a billion forints was cancelled.

Foreign Trade of Hungary

	<u>1949</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
<u>Imports (million \$)</u>	288	513	534	466	666
Bloc, %	46	68	55	61	71
Major Partners					
USSR	21	29	19	23	35
Czechoslovakia	10	13	11	12	12
SZG	1	10	9	10	10
Poland	5	5	5	5	5
China	0	5	5	6	4
West	54	32	45	39	29
Underdeveloped areas		4	7	6	
<u>Exports (million \$)</u>	281	525	609	495	497
Bloc, %	52	74	66	59	60
Major Partners					
USSR	25	33	25	24	22
Czechoslovakia	10	14	13	13	15
SZG	2	9	11	8	10
Poland	4	6	5	5	4
China	0	6	6	6	6
West	48	26	34	41	40
Underdeveloped areas		7	8	8	
<u>Turnover (million \$)</u>	569	1,038	1,143	961	1,162
Bloc, %	49	71	61	63	66
Major Partners					
USSR	23	32	22	24	29
Czechoslovakia	10	14	12	13	13
SZG	2	10	10	9	10
Poland	5	6	5	5	5
China	0	6	6	6	5
West	51	29	39	37	34
Underdeveloped areas		6	8	7	8*
* Preliminary					

Foreign Trade of Rumania

Rumanian foreign trade in 1957 reached a level of about \$700 million, (close to three times 1948) and for the first time since 1948 achieved a favorable balance. The change in 1957 is related to the agreement with the USSR of November 1956. In that agreement Rumania obtained credit for 1957 deliveries of wheat and fodder worth \$35 million, an industrial credit of \$67.5 million, a moratorium on repayment of earlier debts, and cancellation of the 4.3 billion lei (\$700 million) debt it owed on the Sovroms (joint Soviet-Rumanian companies).

The orientation of Rumania's trade is predominantly toward the Bloc. Usually 75-80% of turnover takes place with Bloc countries, about half of total trade being accounted for by the USSR. Rumania obtains 85% of its iron ore imports from the USSR, 81% of non-ferrous metals, 63% of steel. It sells 63% of its petroleum exports to the USSR, 37% of machinery and equipment, 25% of agricultural products. In trade with the West, Rumania deals primarily with Western Europe (74% of its Western trade in 1956). Trade with non-Bloc nations of Asia and Africa has tripled in value since 1948 (\$32 million in 1956) but their share in total trade remains the same.

Foreign Trade of Rumania

	<u>1948</u>	<u>1953</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
Imports (million \$)	118	368	366	331	N.A.
Exports (million \$)	124	287	327	331	N.A.*
Turnover (million \$)	242	655	693	662	700
Bloc, %	73	84	80	78	76
Major Partners, %					
USSR	43			48	
Czechoslovakia	18			7	
SZG	0			8	
Poland	4			4	
China	0			4	
West, %	27	16	20	22	24
Underdeveloped areas	5	2		5	

* According to Premier Stoica a favorable balance was achieved.

Foreign Trade of China

The foreign trade of China is estimated to have reached \$3.2 billion in 1956, a 2 percent increase over 1955 and about a 170 percent increase over 1950 trade. A slight decline in trade, however, has been reported for 1957.

Trade with the Free World in 1956 rose by more than one-third and accounted for one-third of China's total trade, compared to one-fourth in 1954 and 1955. A further shift in the direction of trade toward the Free World probably took place in 1957.

The decline in trade with the Bloc in 1956, which nearly offset the rise in Free World trade, was almost entirely the result of a 15 percent decline in USSR trade. Sino-Soviet trade fell for the first time, reflecting a sharp reduction of receipts under Soviet loans.

The balance-of-payments position of China appears to have deteriorated in 1956 and 1957, reflecting for the most part the large drop in receipts under Soviet loans, the increasing commitments for the repayment of previous Soviet loans, and the further extension of China's own aid program. Despite the development of a reported export surplus in 1956 and 1957, it appears that China has been hard-pressed to meet its foreign exchange commitments.

China's exports have been primarily agricultural products and minerals. Increasing emphasis will be placed on the export of minerals under the second five year plan, but agricultural products should continue to account for well over a half of total exports. China has

imported machinery, petroleum, fertilizers, iron and steel, and other industrial materials. As industrialization proceeds under the second five year plan, China hopes to reduce its dependence upon foreign sources for many of these products.

Footnotes to table 1

- a. During the past year it has become evident that the yuan value, as reported by China, of China's foreign trade cannot be converted into dollars at a single exchange rate and that China uses some form of a multiple exchange rate system for compiling trade statistics. For Sino-Free World trade, the official rate (2.46 yuan per dollar) is applicable. For Sino-Bloc trade, the dollar equivalent of the ruble value of trade reported by China's trading partners has been used when available. However, the Far Eastern Satellites have not reported the value of their trade with China. Since the yuan appears to be valued at about par with the ruble in Sino-Soviet trade, the yuan value of trade with the Far Eastern Satellites has been converted into rubles at this ratio and then into dollars at the official ruble-dollar exchange rate.
- b. An estimated \$330 million representing the transfer of joint-stock company assets and military equipment and possibly bases within China from Soviet to Chinese ownership has been added to the USSR's reported value of Sino-Soviet trade (\$1,392 million), since China appears to have included, and the USSR excluded, these items.
- c. All figures have been rounded to the nearest \$5 million. Therefore, columns may not add up to totals because of rounding.

Table 2

China's Foreign Trade with Underdeveloped Areas
1954-1957

	millions of US dollars			
	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
Europe	.2	.2	3.9	12.5
Middle East and Africa	24.6	46.5	62.1	39.9
South and Southeast Asia	130.1	132.3	253.0	241.9
Latin America	<u>13.0</u>	<u>7.6</u>	<u>5.7</u>	<u>5.3</u>
Total ^{a/}	217.9	237.2	334.8	349.5

^{a/} Columns may not add up to totals because of rounding.

May 1958

Sino-Soviet Bloc Credits and Grants to, Trade with, and Non-Military Technicians in Free World Underdeveloped Countries

The following data indicates the extent and distribution of Sino-Soviet Bloc credits and grants to Free World underdeveloped countries. In the period 1 January 1954 through 30 April 1958 the Sino-Soviet Bloc extended over \$2.6 billion in credits and grants, of which about \$400 million was for the purchase of arms. During 1957 an estimated 1,600 Bloc industrial, agricultural and other professional specialists were working in the underdeveloped countries.

Since 1955 the Soviet Bloc has undertaken approximately 140 industrial projects in the underdeveloped countries of the Free World. It is estimated that at least 30 percent of these projects have been completed and are currently in operation, 40 percent are in various stages of construction, and about 12 percent are still in the survey stage. Status of the balance cannot be determined from available information. Bloc industrial projects constructed or in operation in the underdeveloped countries include not only complete installations such as bridges, cement plants, sugar refineries, glass and textile factories but also the undertaking of petroleum exploration programs, various phases of electrification projects and the supply of capital equipment. Many of the industrial facilities which have been completed are being operated by Bloc specialists who are training local personnel to take over management and operation of the plants at some later date. (See tables below)

Sino-Soviet Bloc Credits and Grants to
Free World Underdeveloped Countries

1 January 1954-30 April 1958

				<u>Million US \$</u>
<u>Recipient</u>	<u>Total Sino-Soviet Bloc</u>	<u>USSE</u>	<u>European Satellites</u>	<u>Communist China</u>
Afghanistan	161	No	breakdown	available
Burma	42	38		4
Cambodia	22			22
Ceylon	60	30	4	26
Egypt	505	175	330	
Iceland	5		5	
India	302	268	34	
Indonesia	120	100	9	11
Nepal	13			13
Syria	294	223	71	
Turkey	10	10		
Yemen	49	33		16
Yugoslavia	464	348	116	
Latin America	8		8	
TOTAL	2,055			

**Estimated Sino-Soviet Bloc Nonmilitary Technicians
in Free World Underdeveloped Countries**

<u>Country</u>	<u>Total Sino- Soviet Bloc</u>	<u>USSR</u>	<u>Other Bloc</u>
Afghanistan	455	420	35
Argentina	50		50
Bolivia	a/	a/	
Brazil	a/		a/
Burma	60	50	10
Cambodia	30	15	15
Ceylon	5	5	
Chile	a/	a/	
Egypt	360	50	310
Greece	10	5	5
India	280	180	100
Indonesia	105	5	100
Iran	5	a/	
Mexico	a/		
Paraguay	a/		
Syria	110		110
Sudan	10		10
Turkey	15	a/	15
Yemen	55	20	35
Yugoslavia	50	40	10
TOTAL	1,600	795	805

a/ Five or less believed to be present during the period.

**Sino-Soviet Bloc Trade with Underdeveloped Countries of the Free World
by Commodity Groups, 1953 and 1956**

	<u>Thousand US \$</u>	
	<u>1953</u>	<u>1956</u>
<u>Bloc Imports</u>	<u>\$268,970</u>	<u>\$667,920</u>
of which:		
Crude Materials	68%	55%
Food Products	25%	30%
Manufactured Goods	4%	9%
Other Items	3%	6%
<u>Bloc Exports</u>	<u>\$263,360</u>	<u>\$714,660</u>
of which:		
Manufactured Goods	23%	38%
Food Products	48%	22%
Machinery and Transport Equipment	14%	14%
Crude Materials	7%	8%
Fuels	3%	11%
Other Items	5%	7%

Trade of All Free World Underdeveloped Countries with Western
Developed Countries, 1/ The United States and
the Sino-Soviet Bloc, 1954-1956

	<u>Million US \$</u>		
	<u>Western Developed Countries</u>	<u>United States</u>	<u>Sino- Soviet Bloc</u>
1954	12,890	11,350	860
1955	35,240	12,040	1,290
1956	38,660	13,510	1,460

1/ Includes the following countries: Australia, Austria, Belgium-Luxemburg, Canada, Denmark, West Germany, France, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom, United States.

**Trade with Sino-Soviet Bloc and the US as a Percent of Total Trade
for Selected Underdeveloped Countries, 1955-1957**

	1957		1956		1955	
	Bloc	US	Bloc	US	Bloc	US
Afghanistan	40 a/	NA	NA	NA	NA	NA
Burma	10 b/	NA	16	1	12	1
Egypt	38	6	23	9	15	10
Greece	8	18	6	15	4	17
Iran	15	13	12	24	11	22
Iceland	34	12	28	15	24	18
Syria	14	9	5	6	2	8
Turkey	13	29	17	21	20	20
Yugoslavia	22	24	23	20	10	25

- a/ Trade statistics for Afghanistan are not published but it is estimated that approximately 40 percent of Afghanistan's trade is with the Bloc.
b/ Estimate based on incomplete data for 1957.

Table 1 *

Foreign Trade of China ^{B/}
1954-1956

	millions of US dollars		
	<u>1954</u>	<u>1955</u>	<u>1956</u>
<u>Imports</u>			
Free World	325	385	500
Bloc	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
USSR	760	1080 ^{B/}	735
European Satellites	275	265	275
Far Eastern Satellites	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
<u>Exports</u>			
Free World	300	420	590
Bloc	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
USSR	530	645	765
European Satellites	225	260	245
Far Eastern Satellites	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
<u>Turnover</u> ^{g/}			
Total Trade	2660	3130	3230
Free World	625	805	1090
Bloc	<u>1935</u>	<u>2375</u>	<u>2140</u>
USSR	1340	1720 ^{B/}	1495
European Satellites	500	530	525
Far Eastern Satellites	<u>95</u>	<u>125</u>	<u>120</u>

Private and Governmental Economic Assistance to Underdeveloped Countries

In the $2\frac{1}{2}$ year period from July 1, 1955-December 31, 1957 nearly \$2.0 billion in credits and grants for both economic and military purposes was extended to Free World underdeveloped countries by all Bloc countries combined. All types of U.S. governmental long term loan and grant commitments to the underdeveloped areas during this period amounted to about \$8 billion.* Moreover, U.S. and West European financial institutions, as well as other Free World governments also provided loans and grants in various forms to underdeveloped countries (including dependancies) estimated at about \$2.5 billion for this period.** Total Free World aid to all underdeveloped countries of the Free World, thus was over \$10 billion for the $2\frac{1}{2}$ year period ending in December 1957.

The bulk of Free World grants and credits went to relatively few underdeveloped countries. The major portion of U.S. mutual security assistance went to nations associated with the West in defence arrangements. South Korea, Viet Nam, and Taiwan alone received about \$3.0 billion in U.S. governmental military and economic assistance during the $2\frac{1}{2}$ year period. Loans and grants provided by other major Free World

* Including both economic and military aid under the Mutual Security Program, PL 480 assistance, and Export-Import Bank loans.

** Loans and grants from Western governments other than the U.S. are estimated at about \$2 billion for the period July 1, 1955-December 31, 1957. Loans from Western financial institutions, primarily the IBRD, are estimated at about \$500 million.

countries for the most part were also distributed among relatively few countries. Excluding the U.S., more than 90 percent of Western governmental economic assistance was provided by the United Kingdom and France; but virtually all of these funds were made available to the British or French territories.

Economic development in some underdeveloped countries has also been fostered to a certain extent by Free World private investment. U.S. private investment in the underdeveloped countries during this 2½ year period is estimated at about \$1.5 billion. Most of the private investment activity, however, was in Latin America, which received about 50 percent of the sum, and in the petroleum producing countries of the Middle East. Western private investment in all of the countries of Africa and Asia, and the Middle Eastern countries producing no petroleum, probably amounted to no more than \$300 million during the past 2½ years.